

Debtors' Statement of Disputed Issues

EXHIBIT K

DELPHI



February 8, 2005

Mr. Stewart Taylor
Mr. Dana Coin
Celestica
Via email: Staylor@Celestica.com
Dcoin@Celestica.com

Gentlemen,

I am writing in response to your letter dated January 20, 2005 regarding the finalization of the direction within Celestica for the Matchbox / Personal Audio System program(PAS). Delphi understands that the PAS program has been a challenge for Celestica, and we are encouraged by the recommitment to the program outlined in this letter.

Due to the inability to rely on a long-term supply for this product, Delphi has not been able to market the PAS as aggressively as originally planned. As a result of our inability to plan for future sales, Delphi has a significant inventory of product in our warehouse. Based upon current sales of the product, estimates are that we may have enough for several months.

Because of this current inventory position, Delphi will need approximately 8 weeks to determine the long-term direction and sell through for this product. It is recommended that Celestica continue to evaluate the potential of the product move to China, but Celestica should not authorize the expense of moving this product to China until receiving further direction from Delphi. It is also important that Celestica provide timing details associated with the milestones for product transfer outlined in your letter.

Please confirm that the landed cost of the transfer to China will not increase the overall product cost to Delphi. The total landed cost to the Plainfield, IN warehouse from a North American location is currently \$67.71 each. We must also address Delphi's additional costs associated with increased inventory and lead-time expense. Delphi does not expect to pay a freight and duty penalty on this program based upon the Celestica decision to produce future product out of China.

Delphi understands Celestica's need to move the manufacturing of this product out of Toronto. As stated during our meetings regarding Celestica's cost issues on the program, Delphi will support the move of this product at the appropriate price level. Celestica must work to provide Delphi with a specific listing of items that we can focus on to reduce the cost out of China. A reduced product cost will lead to greater success for both of our organizations.

We will communicate future product direction as soon as it is clarified within the market.

Please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul G. Pollack".

Paul G. Pollack
Global Supply Management

Cc: J. Halford
K. McClain
J. Palmer